

**GOVERNMENT OF ANDHRA PRADESH
ABSTRACT**

Transport Department - Andhra Pradesh State Road Transport Corporation (APSRTC) – Payment of VAT by APSRTC for the year 2012-13 – Reimbursement of Rs.115.99 Crores paid towards VAT on high speed diesel (HSD) during 01.01.2013 to 31.03.2013 – Orders – Issued.

=====

TRANSPORT, ROADS & BUILDINGS (TR.II) DEPARTMENT

G.O.Ms.No. 99

Dated:04/11/2013

Read the following:-

1. From the Vice Chairman & Managing Director, APSRTC, Hyderabad Letter No. POC3/1/11/2012-13, Dated 02.02.2013.
2. From the Vice Chairman & Managing Director, APSRTC, Hyderabad Letter No. POCIII/1/11/2012-13, Dated 14.06.2013.

-ooo-

O R D E R:

In the reference 1st read above, the Vice-Chairman & Managing Director, Andhra Pradesh State Road Transport Corporation (APSRTC), Hyderabad has informed that with the Government deciding to bring in dual pricing mechanism for diesel, APSRTC categorised by Oil Companies as bulk buyer will not get subsidized diesel and has to pay at least Rs.11.39 Ps. more compared to those who buy from retail outlets.

2. The Vice Chairman & Managing Director, APSRTC has also informed that, the Corporation consumes 50 Crore liters of HSD Oil annually and spends Rs.3,054.84 Crores including Rs.470.38 Crores towards VAT @22.25%. With a debt burden of Rs.4,021.21 crores and accumulated losses at Rs.2,798.51 Crores, and the Corporation is not in a position to face additional burden of Rs.715=00 Crores more per annum on HSD Oil including Rs.111.08 crores on VAT. The Corporation is paying an estimated amount of Rs. 475.54 Crores towards VAT for the year 2012-13. The additional Value Added Tax liability of the Corporation for the period 18.01.2013 to till the end of the Financial Year 2012-13 (upto 31st March 2013) on the additional impact of Rs. 123.89 Crores is Rs. 22.34 Crores..

3. The Vice Chairman & Managing Director, APSRTC has further stated that as a measure of expansion of APSRTC services and to tide over the additional burden consequent to revision of HSD Oil price for bulk buyers, he requested the Government to exempt APSRTC from paying Value Added Tax for the period 18.1.2013 to 31.3.2013 aggregating an estimated amount of Rs.100 Crores on total HSD Oil cost of 552.69 Crores.

4. In the reference 2nd read above, the VC & MD, APSRTC, has stated that the Corporation has been putting in all out efforts to improve the physical performance and thereby reduce the expenditure on the consumption of HSD oil and Accordingly, the physical performance of HSD KMPL has improved from 5.14 for the year 2011-12 to 5.15 for the year 2012-13.

5. The Vice Chairman & Managing Director, APSRTC has further stated that there was genuine need for support to APSRTC and financial relief from the Government and requested to exempt/reimburse the Value Added Tax payable on HSD oil by the Corporation as below.

- a) To reimburse Rs.115.99 Crores towards the VAT paid from 01.01.2013 to 31.03.2013 on HSD Oil during financial year 2012-13.
- b) To exempt the Corporation from paying the VAT on HSD Oil for the financial year 2013-14 for an estimated amount of Rs.582.00 Crores.

Contd... P.No.2

6. Government, after careful examination hereby agree to reimburse Rs.115.99 Crores (Rupees One hundred and Fifteen Crores & Ninety Nine Lakhs Only) to Andhra Pradesh State Road Transport Corporation for the VAT paid on high speed diesel (HSD) during 01.01.2013 to 31.03.2013 of Financial Year 2012-13.

7. The amount sanctioned above shall be debited to the Head of Account "0040 – Taxes on Sales, Trade etc. - MH 102 – Receipts under State Sales Tax Act – SH (96) Deduct-Refunds". The Drawing Officer, Office of the Commissioner of Commercial Taxes, Hyderabad is requested to draw and disburse the amount by way of cheque in favour of APSRTC.

8. This order issues with the concurrence of Finance (Expr.PW.II) Department, vide their U.O.No.27290/1093/Exp.PW-II/13, Dated 31/10/2013.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

D. LAKSHMI PARTHASARATHY
SPL. CHIEF SECRETARY TO GOVERNMENT

To

The Vice Chairman & Managing Director, A.P. State Road Transport Corporation (APSRTC), Mushirabad, Hyderabad.

The Principal Secretary to Government, Revenue (CT & Excise) Department.

The Commissioner of Commercial Taxes, A.P, Hyderabad.

The Director of Treasuries and Accounts, A.P, Hyderabad.

The Pay and Accounts Officer, Abids, Hyderabad.

Copy to:

PS to Secretary to Chief Minister

PS to Minister (Transport)

P.S. to Special Chief Secretary to Govt. (Transport).

Finance (Expr.PW) Department.

Finance (BG.II) Department.

The Accountant General, Andhra Pradesh, Hyderabad.

The Assistant Secretary (Transport), TR & B Department.

SF/SC.

// Forwarded :: By Order //

SECTION OFFICER